

IN CONSIDERATION OF RESOLUTION NO. 23-5339, FOR THE PURPOSE OF
ADOPTING THE METRO INVESTMENT POLICY FOR FISCAL YEAR 2022-23

Date: 5/2/2023
Department: Finance and Regulatory
Services
Meeting Date: 5/25/2023

Prepared by: Brian Kennedy, 503-797-
1913
Presenter(s) (if applicable): Brian
Kennedy (he/him)
Length: 15 minutes

ISSUE STATEMENT

Oregon Revised Statute 294 requires the Metro Council annually review and re-adopt the Investment Policy.

ACTION REQUESTED

The Metro Council reviews and adopts the Investment Policy by approving Resolution No. 23-5339.

IDENTIFIED POLICY OUTCOMES

Due to Metro's fiduciary responsibility, safety of capital and availability of funds to meet payment requirements are the overriding objectives of the investment program. Investment return targets are secondary.

POLICY QUESTION(S)

Does Metro Council wish to re-adopt the Investment Policy?

POLICY OPTIONS FOR COUNCIL TO CONSIDER

Metro Council could review and re-adopt the Investment Policy as presented.

Metro Council could recommend modifications to the Investment Policy. Any changes to the policy in its current form would then be reviewed by both Metro's Investment Advisory Board and the Oregon Short-Term Fund Board prior to being presented to council as an ordinance.

STAFF RECOMMENDATIONS

Staff recommends the review and re-adoption of the Investment Policy by approving Resolution 23-5339.

STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION

The Investment Policy provides a framework for staff to invest all cash-related assets held by Metro. The primary focus is to ensure the safety of capital and availability of funds to meet the payment requirements of the agency. Through prudent investment of assets,

Finance and Regulatory Services can meet this primary focus, while generating additional resources for programmatic use.

The Metro Council appointed a five-member citizen group, the Investment Advisory Board (IAB), to act in an advisory capacity for investment strategies and banking relationships, examine the legality and probity of investment activities, and establish written procedures for investment operations. The IAB recommended Metro Council review and re-adopt the Investment Policy in its current form.

ORS 294 restricts the types and maturities of investments made by local governments. However, it provides additional flexibility when a written investment policy is adopted. ORS 294.135 restricts investment maturities to 18 months, but longer maturities are allowed for Metro due to our adopted policy and are contingent on annual review and re-adoption by Metro Council. Also prescribed by ORS 294.135, Metro's investment policy must be reviewed by the Oregon Short-Term Fund Board; the policy has previously been approved in its current form.

The proposed Investment Policy includes a number of technical changes recommended by Metro's external investment advisor to remove outdated references to the Metro Code and to conform with the state's model policy.

BACKGROUND

The Metro Council last re-adopted the investment policy in December 2021.